

**Testimony on House Bill 4923**  
**Before the House Committee on Families and Children's Services**

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October 24, 2007

Chairperson Clack and members of the House Family and Children's Services Committee, my name is Jackie Doig. I am a Senior Staff Attorney at the Center for Civil Justice, a nonprofit law firm with offices in Saginaw and Flint. CCJ provides legal representation and advocacy for low-income clients in a fourteen county region of mid-Michigan and the Thumb.

We also operate a statewide Food and Nutrition Helpline in partnership with Michigan State University Extension and the Department of Human Services. The Food and Nutrition Helpline is a service for individuals and community organizations. The Helpline offers outreach, education, and screening regarding eligibility for Food Stamps and other nutrition programs. CCJ's Food and Nutrition Helpline helps bring in millions of federal dollars to families and businesses in Michigan, and reduces administrative burdens on the Department of Human Services.

I am here today to testify regarding HB 4923 which will require food stamps to be issued to recipients twice a month. While we appreciate the legislature's efforts to help low-income individuals manage their monthly budgets, and to more evenly distribute Food Stamp expenditures in Michigan's grocery stores, we believe this is a complicated issue that requires more analysis before enacting dramatic changes. In particular, we are concerned about incurring substantial administrative costs for the systems changes that would be required by this bill, at a time when the state faces a fiscal crisis and the Department of Human Services is struggling to find ways to cut their budget.

**Impact on the State Budget**

DHS has already planned and designed its new BRIDGES computer system to process Food Stamp payments on a staggered issuance schedule throughout the month. We understand that DHS estimates the cost of a change to a new issuance system is substantial - and for a change to semi-monthly issuance could run as high as .9 million dollars. That money would have to come from somewhere else in the DHS budget, where there is no more room to cut.

Although Food Stamp benefits themselves are 100% federally funded, the administrative costs of operating the program are shared between the state and federal government. Even though USDA pays only a portion of the administrative costs for Michigan's Food Stamp program, we understand that USDA has already expressed concerns to DHS about whether a semi-monthly issuance system is worth the time and expense, especially when a staggered issuance system does an even more effective job of distributing usage of benefits across the month.

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In addition to the one-time expense of converting Michigan's issuance system, starting up a semi-monthly issuance system would have a cost in terms of staff time spent familiarizing clients with the new system and responding to client questions, complaints, and emergencies when their allotments are cut in half.

### **Impact on Families**

Although the twice-monthly issuance would perhaps benefit some of Michigan's Food Stamp households, other households that receive Food Stamps would be inconvenienced or disadvantaged by the proposed change and the change could result in reduced participation in this important nutrition program, particularly among the elderly and persons with disabilities. The benefit to some households would be relatively minor. For example, recently released USDA statistics show that one third of Michigan's Food Stamp households have earnings,<sup>1</sup> which means they receive income throughout the month with which they are able to purchase fresh foods and perishables to supplement their Food Stamp purchases. On balance, we are concerned that the overall benefit to some of Michigan's low income households would not be sufficiently great to justify the administrative cost and burden at this time

### **Transportation Barriers**

Many households in urban neighborhoods and rural areas do not live near supermarkets, do not own cars, or cannot drive because they are elderly or have a disability. These households must go to significant efforts to borrow a car, get help from a friend or family member, and/or drive a long distance to get better prices for their food stamps at a supermarket. Even when they have access to public transportation, trips to the supermarket can be physically exhausting for those who are frail or have disabilities. It would be burdensome on these households to have to make these arrangements more frequently because their food stamps came in two or more installments.

### **Impact on seniors and persons with disabilities**

10.6% of Michigan's food stamp households (over 100,000 households) receive an allotment of \$25 per month or less. Most of these households are seniors or persons receiving disability benefits. Limiting these recipients to \$5-13 twice per month would make the food stamp program even less convenient and attractive for them to use. Many seniors who are at nutritional risk already forego needed food stamp assistance because of the "hassle factor" and paperwork associated with the program. Reducing each issuance to \$5 will further diminish the perceived worth of the program and cause more seniors to forego the assistance they need. If the state issued benefits monthly to this group, and semi-monthly to others, a duplicate issuance system would be burdensome and confusing to workers and recipients alike.

### **Conclusion**

We believe this issue requires further evaluation to fully understand the impacts on both Michigan's low income families and the Department's scarce resources, and to consider whether the funds that would be spent on implementing this change could be better spent on other needed improvement to programs and services for Michigan's low income households. We therefore urge you not to move forward with this plan at this time.

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<sup>1</sup> Characteristics of Food Stamp Households: Fiscal Year 2006. U.S. Department of Agriculture, Food and Nutrition Service, September 2007. ( [www.fns.usda.gov/oane/MENU/Published/FSP/FILES/Participation/2006Characteristics.pdf](http://www.fns.usda.gov/oane/MENU/Published/FSP/FILES/Participation/2006Characteristics.pdf)).